



ASX ANNOUNCEMENT

29 August 2022

Splitit successfully completes A\$10.5 million institutional placement

Not for release to US wire services or distribution in the United States

- Splitit receives binding and irrevocable firm commitments for A\$10.5 million institutional Placement
- Directors¹ and management have agreed to subscribe for a further A\$775,000
- Strong demand from new and existing institutional investors globally
- Proceeds to be used to support large merchant and partner growth

Splitit Payments Limited (“Splitit” or the “Company”) (ASX:SPT, OTCQX:SPTTY), the only white-label instalment solution allowing customers to pay by instalments using their existing payment card at checkout without increasing their total credit exposure, is pleased to announce that it has received binding and irrevocable firm commitments for a A\$10.5 million capital raise (before costs) from institutional, sophisticated and professional investors, plus a further A\$775,000 from directors¹ and management (“Placement”) through the issue of approximately 64.4 million new shares at \$0.175 per share (“New Shares”).

Under the Placement, the Company will also issue to each investor who participated in the Placement one (1) free-attaching option for every two (2) New Shares subscribed (“Options”). The offer and issue of the Options will be made under a prospectus that will be prepared and lodged with ASIC (and released to ASX) in due course. Approximately 32.2 million Options will be offered under the prospectus and the Company will seek ASX quotation of all Options issued under the Placement. The Options will have an exercise price of A\$0.20 and an expiry date of 30 months from the date of issue.

CEO and Managing Director, Nandan Sheth said, “We are extremely pleased with the strong support provided by new and existing shareholders both domestically and internationally. Investors have validated the large market opportunity for our low risk and high conversion instalment as a service offering. The new capital will fuel our three pillars of growth with larger merchants and partners. Additionally, we will be able to accelerate the delivery of innovation, further differentiating our unique white-label platform.”

¹ Director participation (A\$712,500) subject to shareholder approval



Growth Strategy

The capital raised will be used to further drive Splitit's three growth pillars, which were first outlined at the Company AGM in April.

1. Enhanced focus on distribution partners to drive growth

As Splitit continues to drive distribution through larger partners it will continue to invest in partner tools, such as a partner portal and a partner development team that will be embedded within the partners sales teams to drive large merchant sales from these relationships.

2. Offering a white-label, Instalments-as-a-Service solution for partners and enterprise merchants

Splitit will expand its white-label instalment-as-a-service solution with enhancements such as a new checkout experience that will deliver higher conversion rates on mobile devices, and a framework to deliver a white label solution on point-of-sale hardware for face to face card instalments without any registration friction.

3. Unlocking BNPL for issuers of credit at the merchant checkout

Splitit will further enhance its technology platform with card issuer plug ins, simplifying enablement of issuer funded plans directly to our network of merchants.

Placement

The Placement received strong demand from existing and new institutional investors as well as sophisticated investors and members of Splitit's executive team. Splitit will issue the new securities under the Placement using the Company's capacity under Listing Rule 7.1 (13,213,302 New Shares and 30,177,500 Options) and 7.1A (47,141,698 New Shares) at an issue price of A\$0.175 per New Share, representing a 14.6% discount to the closing price of \$0.205, and a 24.1% discount to the 15-Day VWAP of A\$0.231 as at 25 August 2022.

The New Shares are expected to be issued on or around 2 September 2022 (subject to settlement occurring) and will rank equally with the Company's existing quoted shares on issue. The Company expects to lodge a prospectus with ASIC in respect of the Options on or around 16 September 2022 and will apply for ASX quotation following lodgement.

As part of the Placement, subject to shareholder approval, the following directors have agreed to subscribe for shares (with free-attaching Options) under a second tranche of the offer for an aggregate total of A\$712,500 on the same terms as applicable to all New Shares and Options ("**Director Securities**"):

- CEO and Managing Director, Nandan Sheth, has agreed to subscribe for 1,800,000 shares and 900,000 Options (A\$315,000);
- Chair of the Board, Dawn Robertson, has agreed to subscribe for 500,000 shares and 250,000 Options (A\$87,500)



- Recently appointed Non-Executive Director, Dan Charron, has agreed to subscribe for 1,000,000 shares and 500,000 Options (A\$175,000)
- Non-Executive Director Vanessa LeFebvre, has agreed to subscribe for 400,000 shares and 200,000 Options (A\$70,000)
- Non-Executive Director Jan Koelble, has agreed to subscribe for 200,000 shares and 100,000 Options (A\$35,000)
- Non-Executive Director Thierry Denis, has agreed to subscribe for 171,428 shares and 85,714 Options (A\$30,000).

The Company will seek shareholder approval for the issue of the Director Securities as soon as practicable.

Funds raised from the Placement will be applied to:

- Strengthening the balance sheet to support large merchant and partner acquisition and growth;
- Product enhancements and development; and
- General working capital and costs of the Offer.

Canaccord Genuity (Australia) Limited acted as Lead Manager and Bookrunner to the Placement.



About Splitit

Splitit is a global payment solution provider that enables shoppers to use the credit they've earned by breaking up purchases into monthly interest-free instalments using their existing credit card. Splitit enables merchants to improve conversion rates and increase average order value by giving customers an easy and fast way to pay for purchases over time without requiring additional approvals. Splitit serves many of Internet Retailer's top 500 merchants and is accepted by more than 3,000 eCommerce merchants in over 30 countries and shoppers in over 100 countries. Headquartered in New York, Splitit has an R&D centre in Israel and offices in London and Australia. The Company is listed on the Australian Securities Exchange (ASX) under ticker code SPT. The Company also trades on the US OTCQX under ticker codes SPTTY (ADRs) and STTTF (ordinary shares).

Key Points	
Consumer friendly for shoppers	As the only instalment offering that allows shoppers to use their pre-existing unused credit card balances at the point of sale, Splitit offers a consumer-friendly solution with no new debt or credit checks, no application, no interest or late fees charged. It also allows shoppers to continue collecting perks like cash back, rewards and points as they would on normal credit card transactions, without any risk of damaging their credit profile.
Unique benefits for merchants	Splitit is highly integrated (shoppers don't need to leave the merchant's website), easy to implement and offers longer and flexible loans, reducing shopper friction and driving sales conversion rates. It also offers merchants the option of a funded or non-funded model.
Globally scalable model, boosted by white labelling	Splitit is fundamentally a technology business leveraging the existing global credit card payment rails. This means its branded or white label solution can be adopted in new markets without the need for an 'on the ground' presence, delivering strong operating leverage, enhanced scalability and a cost-effective pathway to profitability.
Already subject to existing credit card regulatory framework, and allows merchant surcharging	As a technology solution that operates within the highly regulated credit card industry, Splitit has a distinct advantage over legacy BNPL providers who are under increasing global regulatory scrutiny due to their consumer financing models. In addition, mounting sector-wide pressure to allow merchant surcharging will not impact Splitit, as merchants are already allowed to surcharge on credit cards.
Unique IP	Splitit's protected IP secures the pre-authorisation on a consumer's credit card limits consumer defaults, as the transactions are secured by the credit card issuers. This unique business model provides operating leverage at scale and a pathway to future profitability without the same associated risk.

The announcement has been approved and authorised to be given to ASX by Dawn Robertson, Chairman of the Board of Splitit.

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Note to market

None of the information included in this announcement should be considered individually material unless specifically stated.

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This announcement contains “forward-looking statements.” These can be identified by words such as “may”, “should”, “anticipate”, “believe”, “intend”, “estimate”, and “expect”. Statements which are not based on historical or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company’s financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in or implied by these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in



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